Taxation (International and Other Provisions) Act 2010

2010 CHAPTER 8

PART 2

DOUBLE TAXATION RELIEF

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DOUBLE TAXATION RELIEF BY WAY OF CREDIT

Tax underlying dividends: restriction of relief, and particular cases

69 Dividends paid out of transferred profits

(1) This section applies if—

(a) a company resident outside the United Kingdom ("company A") has paid tax under the law of a territory outside the United Kingdom in respect of any of its profits,

(b) some or all of those profits become profits of another company resident outside the United Kingdom ("company B") otherwise than as a result of the payment of a dividend to company B, and

(c) company B pays a dividend out of those profits to another company, wherever resident.

(2) If this section applies, this Part has effect, so far as relating to the determination of underlying tax in relation to any dividend paid—

(a) by any company resident outside the United Kingdom (whether or not company B),

(b) to a company resident in the United Kingdom,

Changes to legislation: *There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, Section 69. (See end of Document for details)*

as if company B had paid the tax paid by company A in respect of those profits of company A which have become profits of company B as mentioned in subsection (1)(b).

(3) But the amount of relief under this Part which is allowable to a company resident in the United Kingdom is not to exceed the amount which would have been allowable to that company had those profits become profits of company B as a result of the payment of a dividend by company A to company B.

Changes to legislation:
There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, Section 69.